

University of Montana

ScholarWorks at University of Montana

University of Montana News Releases, 1928,
1956-present

University Relations

5-30-1996

UM researcher reports drop in lumber production, jobs

University of Montana–Missoula. Office of University Relations

Follow this and additional works at: <https://scholarworks.umt.edu/newsreleases>

Let us know how access to this document benefits you.

Recommended Citation

University of Montana–Missoula. Office of University Relations, "UM researcher reports drop in lumber production, jobs" (1996). *University of Montana News Releases, 1928, 1956-present*. 14180.
<https://scholarworks.umt.edu/newsreleases/14180>

This News Article is brought to you for free and open access by the University Relations at ScholarWorks at University of Montana. It has been accepted for inclusion in University of Montana News Releases, 1928, 1956-present by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

The University of Montana

NEWS RELEASE

University Communications
Missoula, MT 59812
(406) 243-2522
(406) 243-4520 FAX

This release is available electronically on INN (News Net).

May 30, 1996

UM RESEARCHER REPORTS DROP IN LUMBER PRODUCTION, JOBS

MISSOULA--

Montana's forest industry employment and production levels were down in the first quarter of 1996, reports a researcher with the Bureau of Business and Economic Research at The University of Montana—Missoula.

Employment was down by about 100 workers and lumber production was down by nearly 40 million board feet from first quarter 1995 levels, according to Charles Keegan, the bureau's director of forest industry research. He attributes the declines to weak lumber and wood chip markets early in the quarter, and to the sale and restructuring of two mills in the state.

Keegan says that slow U.S. and international economies have affected Montana sawmills in two ways:

- Poor prices for lumber.
- Poor markets and prices for pulp and paper, leading to curtailments at many paper mills.

The reduced demand for paper has led to another problem -- reduced demand for chips, a by-product of lumber that is used in paper manufacturing, Keegan said. As a result, sawmills have faced lower revenue from chip sales, and, in some cases, the inability to dispose of chips and other wood by-products.

On the brighter side, lumber prices rose slowly in February and March, then turned sharply upward in April and May in response to a better than expected national housing market, he said.

"If paper prices improve and the national forests sell their planned volumes of timber in 1996,

employment and production should increase," Keegan said. "Limited timber availability continues to be a concern, but it appears that the recent salvage bill (which exempts some federal timber sales from some environmental review procedures) will provide at least a temporary increase in Montana's National Forest Timber Program, which has fallen by more than 70 percent during the 1990s."

In cooperation with the Montana Wood Products Association, the bureau compiled quarterly figures for the 26 plants responsible for more than 90 percent of the state's total output of wood and paper products.

Montana's forest products industry production employment in the first quarter of 1996 was 4,586 workers, 106 less than the same quarter one year ago, Keegan said. Production workers wages were \$39.3 million in the first quarter of 1996, up from \$38.2 in the first quarter of 1995.

Lumber production in the first quarter of 1996 totaled 286 million board feet, 39 million board feet less than the first quarter of 1995, he said. Plywood production was higher, reaching 154 million square feet in the first quarter of 1996, up 1 million square feet over the first quarter of 1995.

The above figures refer only to production workers at timber processing facilities and plants processing wood fiber residue from timber processing facilities. These production workers account for 40 to 50 percent of the workers in Montana's forest products industry. Estimates do not include the several thousand workers in logging, trucking, and other related jobs.

###

Contact: Charles Keegan, (406) 243-5113.

SJ/rm
State and weeklies
ForQrt1.rl